

Financial claims: FBR directed to release Rs 182 billion to Punjab

The Inter-Provincial Coordination Committee (IPCC) has decided that Federal Board of Revenue (FBR) should immediately release Rs 1.82 billion to Punjab on account of financial claims of the province on cross-adjustment of sales tax.

Sources told *Business Recorder* here on Wednesday that the decision has been taken during the 27th meeting of Inter-Provincial Coordination Committee (IPCC) held at Cabinet Division under the chairmanship of Federal Minister for Inter-Provincial Coordination Riaz Hussain Pirzada.

The IPCC discussed in detail the issue of financial claims of KPK against FBR with regard to cross-adjustment of sales tax. The chief secretary Khyber Pakhtunkhwa highlighted the previous decision of IPCC which stressed upon holding regular meetings of the relevant committees already notified by the FBR. He stated that the process of reconciliation had already been started and would perhaps soon be completed. However, releases were still awaited.

The secretary energy Punjab and special secretary (finance) Punjab stated that their process of reconciliation for the financial year 2016-17 had already been completed and the FBR owed Rs 1.8 billion to the provincial government which should be released immediately.

The member (operations) FBR further apprised that the payment of reconciled amount of sales tax to Khyber Pakhtunkhwa and Punjab was subject to the receipt of the outstanding amount from the government of Sindh which was delaying reconciliation with FBR. Sindh minister for health suggested that FBR should hold regular/periodical meetings with the concerned authorities of the government of Sindh to resolve the issue amicably. The member FBR expressed his readiness and further requested that necessary instructions should be issued to the government of Sindh to cooperate in this regard.

It was decided that FBR would immediately start reconciliation with the provincial government of Sindh. However, it was also decided that the payment of sales tax arrears to the governments of Khyber Pakhtunkhwa and Punjab should not be linked with receipt from the government of Sindh as the FBR had separate MoUs with all the provinces. The already reconciled payable amount of Rs 1.82 billion shall be released to the government of Punjab immediately.

Copyright Business Recorder, 19/10/2017